

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (3/3):**

BUTTER: Grade AA closed at \$0.9700. The weekly average for Grade AA is \$0.9733 (+.0370).

CHEESE: Barrels closed at \$1.1025 and blocks at \$1.1200. The weekly average for barrels is \$1.1020 (+.0020) and blocks, \$1.1160 (+.0097).

NONFAT DRY MILK: Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

BUTTER: Butter markets are unsettled. Producers and handlers remain puzzled by price increases under current market conditions. Churning schedules across the country are reported to be seasonally active, although cream offerings were not as heavy this week. Increased production of ice cream and other cream-based products is now absorbing volumes of available cream. Stocks of butter are increasing in most areas and are heavier than last year at this time. Overall sales activity is seasonally fair. Some scattered retail feature activity is being reported.

CHEESE: The cheese market is unsettled. This week, CCC purchased 396,000 pounds of process cheese under the price support program from the Midwest, the first process purchase since July 1997. Current cheese offerings remain fully adequate to ample. Most orders are for short term needs. Cheese production remains seasonally heavy. Estimated U.S. cheddar output in January 2000 totals 246.6 million pounds, up 12.9 million pounds (+5.5%) from last January. Total cheese output in January is estimated at 680.2 million pounds, up 41.5 million pounds (+6.5%) from last year.

FLUID MILK: Milk production ranges from up noticeably in the Southeast to mostly steady in the Upper Midwest. Class I sales are fair to good, but a little slower than last week. Surplus milk volumes are increasing in most areas of the country. Most Southern manufacturing plants are now operating. Many of these plants sit idle for much of the year and operate on an as needed basis. Western manufacturing facilities are running near capacity levels. The fluid cream market is firmer this week. Demand has improved from some users and less is being shipped to churning operations.

DRY PRODUCTS: The NDM market is fully steady. Stocks are long and demand mostly for replacement needs. Sales to exporters are ongoing and clearing moderate volumes. Clearances to CCC are moderate to heavy and expected to increase as more plants begin offering. The dry whey market is fully steady to firm. Domestic demand is fair with scattered reports of steady to improved export interest. The export sales are helping keep producer stocks from accumulating. Paralleling cheese output, whey drying is heavy. The dry buttermilk market is weak and prices, though mixed, are lower. Stocks are building at some locations and demand is fair. The WPC market is firm and prices are higher. Some plants are over sold and expect that situation to last most of the second quarter.

CCC: Net purchases for the week of February 28 - March 3, totaled 15,041,553 pounds of nonfortified NDM from the West and Midwest and 396,000 pounds of process cheese from the Midwest.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the February 2000 final prices under the New Federal Order Reform: Class II \$11.51 (up \$.08 from January), Class III \$9.54 (down \$.51); and Class IV \$10.80 (up \$.07). Product price averages used in computing Class prices are: butter \$.9002, NDM \$1.0106, cheese \$1.1067, and dry whey \$.1788. The Class II butterfat price is \$.9658 and the Class III/IV butterfat price is \$.9588. Further information may be found at: www.ams.usda.gov/dairy/ann_class_comp_pr-01-00.htm

FEDERAL MILK ORDER FORWARD CONTRACT PILOT PROGRAM (USDA, AMS): Under a new pilot program mandated by Congress, dairy farmers who market their milk under Federal milk marketing orders (FMMO) will be able to enter into forward pricing contracts with proprietary handlers who purchase their milk. Forward contracting is voluntary for both dairy farmers and milk handlers. All other Federal milk order regulations are unchanged. The pilot program expires after Dec. 31, 2004. As provided in the legislation, the pilot program will only apply to federally regulated milk used for manufactured dairy products. Fluid milk (Class I) is not eligible for forward contracting under the pilot program. Comments should be submitted no later than March 16 and may be faxed to Nicholas Memoli at 202.690.0552 or e-mailed to nicholas.memoli@usda.gov

AGRICULTURAL PRICES (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 2000 advanced one point to 119, up four points (3.5%) from February 1999. The index of prices received by farmers for dairy products declined 2 points during the month of February 2000 to 90, down 29 points (24.4%) from February 1999. The following are prices received by farmers in February with changes from January: All Milk, \$11.80 per hundredweight, down \$.20; Fluid Grade Milk, \$11.90, down \$.10; and Manufacturing Grade Milk, \$10.50, down \$.20.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during 1999 totals 164.95 billion pounds, up 3.1% from 1998. Comparing disappearance levels with year earlier levels: butter is +4.8%, American cheese, +7.4%, other cheese, +5.0%, NDM, -5.6%, and fluid milk products, +0.7%

CONSUMER PRICE INDEX (BLS): The January CPI for all food is 166.1, up 1.5% from January 1999. The dairy products index at 160.4, is down 0.5% from a year ago. The following are the January to January changes for selected products: fresh whole milk -3.4%, cheese +1.7, and butter -15.1%.

DAIRY OPTIONS PILOT PROGRAM (USDA, RMA): Round II of the Dairy Options Pilot Program will begin in April. Similar to Round I, Round II offers an opportunity for producers to learn about hedging milk prices through hands-on put options. Producers are responsible for 20% of the premium of each option, while the USDA pays 80% of the premium as well as broker fees of up to \$30 per option. The program will last up to 12 months for each producer in the counties listed as eligible. To learn more about the training contact Lon Burke at 202-720-5265 or visit the Risk Management Agency (RMA) web site at <http://www.rma.usda.gov/training/programs/dopp/index.html>

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY FEBRUARY 28	TUESDAY FEBRUARY 29	WEDNESDAY MARCH 1	THURSDAY MARCH 2	FRIDAY MARCH 3	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.1000 (N.C.)	\$1.1025 (+.0025)	\$1.1025 (N.C.)	\$1.1025 (N.C.)	\$1.1025 (N.C.)	+.0025	\$1.1020 (+.0020)
40# BLOCKS	\$1.1100 (N.C.)	\$1.1150 (+.0050)	\$1.1150 (N.C.)	\$1.1200 (+.0050)	\$1.1200 (N.C.)	+.0100	\$1.1160 (+.0097)
NONFAT DRY MILK EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER GRADE AA	\$.9700 (+.0200)	-----	\$.9800 (+.0100)	-----	\$.9700 (-.0100)	+.0200	\$.9733 (+.0370)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, FEBRUARY 28, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1025; 1 CAR 40# BLOCKS @ \$1.1100
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 5 CARS GRADE AA: 1 @ \$0.9850, 1 @ \$0.9875, 1 @ \$0.9775, 2 @ \$0.9800; BIDS UNFILLED: 10 CARS GRADE AA: 1 @ \$0.9500, 1 @ \$0.9475, 1 @ \$0.9450, 1 @ \$0.9425, 3 @ \$0.9400, 3 @ \$0.9300; OFFERS UNCOVERED: 8 CARS GRADE AA: 1 @ \$0.9700, 2 @ \$0.9850, 1 @ \$0.9875, 1 @ \$0.9950, 1 @ \$0.9975, 2 @ \$1.0000

TUESDAY, FEBRUARY 29, 2000

CHEESE -- SALES: 4 CARS BARRELS @ \$1.1025; 3 CARS 40# BLOCKS @ \$1.1100; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1000; 1 CAR 40# BLOCKS @ \$1.1150; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1050
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, MARCH 1, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.0600; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 2 @ \$1.1150, 1 @ \$1.1200
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$0.9800; BIDS UNFILLED: 16 CARS GRADE AA: 1 @ \$0.9700, 1 @ \$0.9650, 1 @ \$0.9600, 1 @ \$0.9525, 1 @ \$0.9500, 1 @ \$0.9450, 10 @ \$0.9300; OFFERS UNCOVERED: 9 CARS GRADE AA: 1 @ \$0.9900, 1 @ \$0.9950, 1 @ \$0.9975, 2 @ \$1.0000, 1 @ \$1.0100, 1 @ \$1.0200, 1 @ \$1.0300, 1 @ \$1.0400

THURSDAY, MARCH 2, 2000

CHEESE -- SALES: 4 CARS BARRELS @ \$1.1025; 5 CARS 40# BLOCKS: 1 @ \$1.1125, 3 @ \$1.1150, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS @ \$1.1025
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, MARCH 3, 2000

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.1100, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS @ \$1.1025; 1 CAR 40# BLOCKS @ \$1.1200
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$0.9700; BIDS UNFILLED: 2 CARS GRADE AA @ \$0.9600; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.0400

BUTTER MARKETS

NORTHEAST

The market tone remains unsettled. Through February 28, prices at the CME have increased for five consecutive sessions. Again, contacts remain puzzled by price increases under current market conditions. Churning activity is heavy at local plants and facilities in other regions of the country. Although lighter than past weeks, heavy volumes of Eastern cream continue to move to Midwestern churning facilities. Bulk and print offerings are more than ample. Stocks are building at more locations. Demand is seldom better than fair for bulk and packaged butter. Bulk movement, when it occurs, is slow and still in the range of 3-5 cents over the CME price/average.

CENTRAL

The butter market tone is mixed, although the CME cash trading price level continues to increase. Producers and handlers continue to question the direction of the cash market in light of increasing inventories. Churning schedules have been and are reported to be strong. Cream availability has been fully sufficient to maintain near capacity production schedules. This week, some producers reported that additional cream offerings were lighter. They attribute the lighter offerings to improved ice cream and other Class II cream based product production. Overall

butter sales are good. Some buyers are holding off placing large orders due to firmer prices while others continue to place good orders. Some orders are being filled due to upcoming retail feature activity. Buyers are stating that with a base price under \$1.00 per pound, retail prices can be established at very favorable levels for the consumer.

WEST

Butter production in the Western region remains seasonally very heavy. A number of plants are running at capacity levels. Print orders are steady at unchanged levels. Bulk continues to clear reasonably well. Some of it is moving out of the West into the Central and Eastern regions. Current prices for bulk butter range from 5 cents under to 2 cents under based on the CME with various time frames and averages involved. Cream offerings are heavy and mainly ending up in the churn. Little new ice cream business has developed yet. CME weekly warehouse stocks grew by only 1.8 million pounds for the week ending February 26. This is the smallest weekly amount of growth in 2000. Warehouse stocks now stand at 63.4 million pounds, compared to 56.3 million pounds last year at this time.

NASS DAIRY PRODUCT PRICES
 U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
FEBRUARY 26	1.0963 5,829,644	1.0799 8,165,805	1.0088 15,144,827	0.8926 5,023,762	0.1751 6,933,002

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are mixed and the market tone remains weak. Production levels are steady to heavier as surplus milk volumes continue to increase. Cheese stocks are more than adequate for current needs and cheddar makers are putting more into aging programs. Demand for cheese is often for short term needs as buyers see little or no need to purchase too far ahead. Retail movement is slow to fair and food service orders are steady. As a market indicator, a Midwest producer offered process cheese to CCC on February 28. This is the first cheese offered to CCC since 1997.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10#Prints	:	1.1200-1.6100
Cheddar Single Daisies	:	1.1000-1.5600
Cheddar 40#Block	:	1.2450-1.4225
Process 5#Loaf	:	1.3100-1.4725
Process 5#Sliced	:	1.3300-1.5775
Muenster	:	1.3025-1.6050
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled. Most traders expect cash cheese prices at the Chicago Mercantile Exchange to continue to struggle to make and sustain increases. CME cash cheese prices continue to bounce around just above CCC support prices. This week (2/28-3/3), CCC purchased process cheese from a Midwest processor under the price support program. This purchase is indicative of surplus cheese supplies and/or sluggish sales. This is the first such process cheese purchase since early July 1997. Offerings of commodity type varieties remain at least adequate and pricing is typically very competitive to maintain accounts. Current interest is mostly fair at best with demand slow for some operations. Process cheese movement is being stimulated by food service promotions in some markets. Natural interest is often quiet. Milk and cheese production remain well above year ago levels at most plants. Cheese yields are steady to seasonally lower.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5#Loaf	:	1.2600-1.4700
Brick And/Or Muenster 5#	:	1.4300-1.6650
Cheddar 40#Block	:	1.4100-2.1150
Monterey Jack 10#	:	1.5900-2.1150
Blue 5#	:	1.8000-2.0100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4800-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.1000-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES : FEBRUARY 28 - MARCH 3, 2000

BARRELS*	:	\$1.0900 - 1.1125 (NOMINAL)
	:	(\$1.0050) (-.0025)
40# BLOCKS	:	\$1.0950 - 1.1275 (NOMINAL)
	:	

() Change from previous week. * If steel, barrel returned.

WEST

Process cheese prices continued to rebound fractionally based on CME trading levels. Natural items declined fractionally for the first activity in a few weeks. Swiss prices held steady with very good sales activity. Demand for process and natural cheese is not aggressive at all. Buyers are generally comfortable with their current inventory levels. They don't see much advantage in acquiring additional stocks at this time. Sellers are looking at further discounts to continue to stimulate some additional sales. Success is minimal at best. Contacts are expressing concern about available plant capacity to handle the upcoming spring flush. Reports from the Midwest region indicate that 396,000 pounds of 5# process cheese was offered to the price support program. This is the first sizeable volume since 1991.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5#Loaf	:	1.2550-1.5150
Cheddar 40#Block	:	1.2275-1.3675
Cheddar 10#Cuts	:	1.4075-1.6275
Monterey Jack 10#	:	1.4175-1.5775
Grade A Swiss Cuts 6 - 9#	:	2.1500-2.4000

FOREIGN

Prices for domestic types are fractionally lower and Imported styles are unchanged. However, reports indicate that current purchase prices in France and Denmark are lower while prices for Jarlsberg and some Swiss may be higher in the near future. Demand for foreign type cheese remains slow to, at best, fair.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	:	TFEWR : -0-
Blue	:	2.6400-3.1400 : 1.4500-2.9450*
Gorgonzola	:	3.2400-5.9400 : 2.0050-2.4900*
Parmesan (Italy)	:	TFEWR : 2.8650-3.3700*
Romano (Italy)	:	2.1000-2.5400 : -0-
Provolone (Italy)	:	3.4400-5.5000 : 1.4650-1.7450*
Romano (Cows Milk)	:	-0- : 2.6275-4.8150*
Sardo Romano (Argentina)	:	2.6500-3.2900 : -0-
Reggianito (Argentina)	:	2.6500-3.2900 : -0-
Jarlsberg (Brand)	:	2.7400-3.3100 : -0-
Swiss Cuts Switzerland	:	-0- : 2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500 : -0-
Swiss Cuts Austrian	:	2.2500-2.7500 : -0-
Edam	:	:
2 Pound	:	TFEWR : -0-
4 Pound	:	2.1900-3.0900 : -0-
Gouda, Large	:	2.3900-3.1500 : -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	:	27.8000-31.7000 : -0-
* = Price change.		

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE

02/28/00	20,561	:	123,797
02/01/00	14,512	:	116,262
CHANGE	6,049	:	7,535
% CHANGE	42	:	6

FLUID MILK AND CREAM

E A S T

Milk production is mostly steady in the Northeast. This is despite the unseasonably warm weather the region has been experiencing. In the Southeast, milk output is increasing as some areas are nearing their flush. Fluid milk supplies are long, but volumes seem to be the heaviest in the Southeast. Florida handlers are still shipping milk out of state for processing. Milk supplies are increasing and diversions to manufacturing plants are growing. Manufacturing plants in the Southeast are now all open and running. Further north, milk supplies are generally steady. Bottled milk sales are fair to improved. A few areas had schools on vacation last week and with them back in session, milk sales have returned to more normal levels. In the Northeast, surplus milk volumes are heavy, but easily handled. Some milk is being moved around, but as new equipment comes on line, these volumes are expected to lessen. The condensed skim market is unchanged. Offerings are readily available and demand for both Class II and III are steady at slow to fair levels. The fluid cream market is firmer as supplies, under improved demand, have come into better balance. Cream cheese, ice cream, and cottage cheese makers are all taking some additional loads of cream. Cream cheese and cottage cheese typically see an increased demand during Passover and Lent. Spot prices are often higher as multiples and the CME butter prices are higher. Less excess cream is clearing to Midwestern churns and local churns are less active than past weeks.

CORRECTION: In last week's report, the following sentence was incorrect and the change is indicated by the asterisks: With the announcement of the March advanced Class III skim pricing factor at \$6.38, some contacts feel that Class *III* condensed skim could be quite a bit lower in March.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.1236-1.2640
DELIVERED EQUIVALENT ATLANTA	-	1.1048-1.2172 M 1.1419-1.1610
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.1891-1.2359

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9900-1.1500
NORTHEAST- CLASS III - SPOT PRICES	- .9000-1.0000

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
FEBRUARY 25 - MARCH 2, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	0

Class I demand is steady to often lighter. Limited retail feature activity appears to have done little thus far to stimulate additional sales. Also, through Thursday morning (3/2) few bottlers had noticed the kind of sale improvement normally associated with first of the month. A total of 12 loads of milk were shipped from Wisconsin to Missouri and are not included in the total. Local milk offerings remain long and interest may be dwindling week by week. On a light test, reported spot surplus milk prices range from a low of \$0.25 below class/MCP to \$1.25 delivered for a couple loads, with the majority around flat class to +\$0.50. Milk continues to flow northward seasonally for processing. Current milk supplies remain ample with many plants already operating on schedules more closely associated with later in the spring. Some plants in the region have been taking some extra down time to make adjustments, repairs and improvements. Having adequate capacity during the

spring peak production period remains a concern for many operators. More than one firm/cooperative in the region is no longer adding patron/members due to their expectations of capacity problems. Milk intakes are steady to slightly higher. Fat and protein tests are steady to lighter. Fields and driveways remain soft but are firming. Snow cover is basically gone in most upper Midwestern areas not affected by lake affect snow. Good quality tested hay (RFV 125-150) sold during the past two weeks ranged from \$40.00 - 92.00, with most at \$40.00 - 62.50 per ton. This compares with \$45.00 - 75.00 per ton in early February.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	FEB 24 - MAR 1	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 41.00	\$ 34.00- 39.00
REPLACEMENT HEIFER CALVES	\$200.00-300.00	\$160.00-235.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	FEB 24 - MAR 1	PREVIOUS YEAR
SLAUGHTER COWS	\$ 32.00- 44.00	\$ 30.00- 39.25

W E S T

The February 4a price (butter/powder) in California is \$10.47, down 20 cents from January and \$2.15 lower than last year. The 4b price (cheese) is \$9.28, 30 cents lower than last month and \$2.01 less than last year. April 2000 Class 1 prices are pending the outcome of the January 31 hearing. The decision on the amendments to the Class 1 price will be issued no later than March 21. January pool receipts of milk in California total 2.647 billion pounds, up 10.9% from last year. The January blend price is \$10.70, at a fat test of 3.79%, which is 42 cents lower than December. The percentage of receipts used in Class 1 products is 20.81%. The January quota price is \$11.75 and the base and overbase prices are \$10.05. These prices are 41 cents lower than last month and \$4.71 lower than January 1999. California production is mixed. Levels are steady in the Central Valley, but slightly lower in the northern and southern milk producing areas. The stoppage in growth was caused by recent and continued rainfall. The decline in milk was generally welcomed as it gave handlers more leeway in moving loads for processing. There remain concerns about handling milk supplies as the flush approaches and whether expansions in the state will be online and adequate to help. There are varying levels of optimism at this point. Production levels are trending above year ago levels in Arizona. Weather conditions and temperatures are well suited for milk production growth. Milk volumes in the state are greater than the current demand mix and both milk and components are being shipped out to find processing capacity. New Mexico continues to see milk output increases as milk per cow and cow numbers grow incrementally. Production plants are generally running full to process local milk supplies. Western cream prices are steady to slightly higher, reflecting increases in butter prices at the CME. However, there remains more resistance to the increases as buyers gauge at what levels they can sell products when they buy the cream. Price fluctuations at the CME have many buyers and sellers now trying to time buys and sales. Milk production remains heavy in the Pacific Northwest. More auctions and sales are noted as spring approaches, but the vast majority of the cows are ending up in other neighboring herds or staying within the Western region. Overall cow numbers are not dropping at all. Hay and feed are readily available at very good price levels. More talk is noted at some winter producer meetings about more stringent water quality and manure handling issues. The feeling that these more restrictive announcements may cause major problems for smaller operations. More comments about mud causing problems are common in Utah and Idaho. Milk quality is off somewhat as SCC are increasing in general. Very few instances of any pneumonia type problems are noted. This region continues to be in a general growth mode. The only real concerns on the horizon are plant capacity types of issues.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 03/02/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices remain unchanged on a weak market. Movement is best into government programs with Midwest producers again clearing more than Western producers into the CCC on 2/28/00. Brokers are moving some block loads at the lower end of the range. Spot trading is very light and clearing as needed into cheese and ice cream plants. Ample milk supplies are encouraging steady production. Some plants cannot afford to divert milk to alternative locations and are obligated to run plants at capacity. Inventories are reported as in balance to heavy. Plants not already USDA certified are now considering certification for potential movement into the CCC. High heat product is available for the light demand. Standard grade product is trading at substantial discounts.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9900 - 1.0150 MOSTLY: 1.0000 - 1.0100

DRY BUTTERMILK - CENTRAL

Prices are mixed on a weak market. Trading remains best at the lower end of the range into blends and seasonings. Churning activity is mixed resulting in mixed supplies of buttermilk. Producers are finding it difficult to gage the market given the volatility of the butter prices. Movement of condensed product into ice cream is improving. Inventories are in balance to long. Demand is light with most buyers taking product on an as need basis. Off grade and buttermilk product remains available for the light demand.

BUTTERMILK: .6300 - .7200

DRY WHEY - CENTRAL

Prices are unchanged on a steady market. Spot activity is very light as most buyers prefer to operate on regular commitments and stocks. Export activity is alleviating heavy supplies at some locations. Inventories are in balance to somewhat long. Production is steady with good milk and cheese production. Offers are adequate with some light discounting. Standard premiums are notably less with some producers content at just receiving the average. Some buyers see this as a sign of weakness and are holding out for further price decreases. Various types of off grade product are available for the light to fair demand. Extra wet solids are difficult to find at some locations.

NONHYGROSCOPIC: .1700 - .1850 MOSTLY: .1700 - .1800

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to higher on a generally steady market. Some producers are in a better balance on milk replacer supplies this week. Brand specific product tends to trade at the higher end of the range. Demand is steady with plenty of sub-standard product available for the light to fair demand. The delactose market continues unchanged. Producers report that the price spread between delactose and WPC is not sufficient to warrant a delactose price change. If the WPC average were to reach 50 cents, delactose prices could be affected. Plenty of off grade delactose appears to be available at prices just below the average. Roller ground movement is generally steady. Hog prices are trending lower while veal markets are steady to slightly firm. Notice: Beginning the week of Report 14, the Standard Grade market will no longer be reported due to a lack of participation.

MILK REPLACER: .1300 - .1675
STANDARD: TFEWR
ROLLER GROUND: .1600 - .1825
DELACTOSE (Min. 20% protein): .2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices remain unchanged on a steady market. Some plants continue to run behind on production schedules due to previous plant delays. Export inquiries are noted from Canada, Europe and Asia with most plants unable to meet any extra demand. European product is competitive due to currency exchanges, yet freight rates tend to keep prices in line with US product. Domestic trade is best on regular commitments and into feed facilities. A few plants are planning on production increases in the months to come which may alleviate the current tight supply. Questions about the spread between whey and lactose are again being addressed. The trend however still appears to lean toward lactose. Second quarter negotiations do not yet seem to be an issue. Reports on off grade product are mixed. Producers report light supplies and trading often within the range, while traders are finding plenty of offers as low as 15-16 cents.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2500 MOSTLY: .1950 - .2050

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are higher on a firm market. Sales are generally good with some plants over-sold or booked through June. Production problems are being reported which may impact the already tight supplies. Not all buyers are convinced of the market's firmness and prefer to operate off of current stocks. Inquiries are heavy as buyers that did not contract at the beginning of the year, now consider booking product. Some producers anticipate the price moving into the mid 50's. Condensed product still seems to be readily available at some locations with prices at 3-8 cents below the average. Plenty of aged and off grade products are beginning to appear from as much as 2 years ago. Prices tend to vary depending on the quality of the product.

EXTRA GRADE 34% PROTEIN: .4700 - .5000 MOSTLY: .4800 - .4850

NONFAT DRY MILK - WEST

Low/medium heat NDM prices are unchanged and the market tone remains weak. Buying interest is limited on the spot market with continued high volume sales to the CCC used to keep stocks in balance. The potential for NDM prices to increase is slight at this time. Buyers and sellers see few changes possible in the coming months due to the heavy milk production in the region. Production levels are expected to increase as areas attain flush levels at various times. Condensed skim sales are reported to be good into cheese plants to standardize cheese vats. The usage of condensed is higher than normal because of price issues. High heat prices are slightly lower. Buying interest remains at light levels. Production continues to be limited and affected by drying schedules. During the week of February 21 - 25, CCC net purchases totaled 8.5 million pounds of nonfortified and fortified NDM from Western and Midwestern sources.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9800 - 1.0200 MOSTLY: 1.0000 - 1.0100
HIGH HEAT: 1.0100 - 1.0400

DRY BUTTERMILK - WEST

Buttermilk prices are mostly steady in a continued weak market. Buying interest remains subdued. Production is active, although remains lighter than needed because of the lack of dryer time. Feed manufacturers are looking at buttermilk at the lower end of the range. Condensed buttermilk demand is mostly light and condensed continues to be dumped. Stocks of dry buttermilk remain heavy.

BUTTERMILK: .5500 - .6400 MOSTLY: .6000 - .6100

DRY WHEY - WEST

Western whey prices are holding steady this week for the first time in many weeks. Offering prices are not pressuring any lower at this point. Inventories are basically holding steady. Sales activity is fair. More export interest is developing as end of the year issues are past. An upcoming tender was expected to be filled mostly from U.S. sources, but European prices took a sharp drop this week and are much more competitive. Production in the West is seasonally heavy. Contacts are concerned that this heavy production will be around for quite a few more months.

NONHYGROSCOPIC: .1650 - .1900 MOSTLY: .1700 - .1775

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
February 25	\$1.0083	10,622,473
February 18	\$1.0077	14,524,980

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Production levels are steady to heavier. More manufacturing plants in the Southeast are open and taking in growing volumes of surplus milk. In the Northeast, NDM production is heavy, but relatively steady with past weeks. Producer stocks are growing. However, stock accumulations are being slowed by existing and new contract sales. Spot buyers are generally taking product on an as-needed basis, but are keenly aware of any bargains that may be offered. There is little incentive to buy too far ahead. Export demand is leveling. Few new DEIP bids have been accepted in the past two weeks.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0000 - 1.0300 MOSTLY: 1.0000 - 1.0100

HIGH HEAT: 1.0350 - 1.0950 MOSTLY: 1.0400 - 1.0600

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1150

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are generally lower but the market tone is steady. Production levels are moderate to heavy. Cream supplies tightened this week and churning activity is down slightly. Dry buttermilk stocks are fairly well balanced. Most producers are trying to keep powder moving and often, lower prices have been the way to do this. Multi-load deals are creating the lower end of the Eastern range. Spot demand is fair to improved. Lower prices are attracting more interest.

F.O.B. NORTHEAST: .6800 - .7400

DELVD SOUTHEAST: .6700 - .7625

DRY WHOLE MILK - NATIONAL

Prices and the market tone are mostly unchanged. Production levels are about steady. However, growing volumes of skim may have an impact on dry whole milk output. Producer stocks are balanced. Domestic demand for whole milk powder is slow to fair. Exporting is ongoing as DEIP contracts get filled and shipped.

F.O.B. PRODUCING PLANT: 1.0700 - 1.2500

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH FEBRUARY 25, 2000
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	85,633	MT (188,786,512 LBS)
CHANGE	--	20	MT (44,092 LBS)

WHOLE MILK POWDER	--	9,677	MT (21,333,914 LBS)
PROGRAM ALLOCATION FILLED			

CHEESE	--	1,490	MT (3,284,854 LBS)
CHANGE	--	71	MT (156,527 LBS)

BUTTERFAT	--	5,012	MT (11,049,455 LBS)
CHANGE	--	250	MT (551,150 LBS)

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT.

These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged, but fewer producer discounts are being offered. The market tone is firming, but not to the point that buyers are willing to pay premiums. Production levels are steady to heavier as surplus milk supplies increase seasonally. Plant stocks range from sold out to light. Some producers are taking orders for shipment in April. A few operations have product for immediate sale, but volumes are light. Domestic demand is steady with some improvement noted. Producers are getting more calls from buyers inquiring about availability. Reports indicate that contracted volumes are being picked up on a timely basis. (That is not always the case.) Export interest seems to be improving and some new sales have been made.

F.O.B. NORTHEAST: EXTRA GRADE .1750 - .1850

USPH GRADE A .1850 - .1950

DELVD SOUTHEAST: .1950 - .2200

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report and the market tone is weak. However, down graded product is not as long as it was. The combination of lower offering prices, slightly improved demand, and less output of "off grade" product have combined to bring stocks in better balance. Offerings are still more than adequate for needs, but they are not as burdensome as they were several months ago. Current spot demand is slow to fair.

NOTICE: Because animal feed, dry whey prices have been TFEWR for more than a year, we are discontinuing this price series and animal feed comments will be incorporated into the Eastern whey report. This change will go into effect the week of April 3-7, Report Number 14.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Demand is steady and often for replacement needs. The approaching Easter season is a "mini-baking" season and retail sales do improve slightly, particularly if retail features are in place. The Kansas City Commodity office announced the purchase of 1,395,360 pounds of canned evaporated milk under EVD-1, invitation 630 at \$.4011 - .4358 per pound for delivery in April 2000. They also purchased 1,064,880 pounds under invitation 631 at \$.4082 - .4286 per pound for delivery in May and 1,101,600 pounds under invitation 632 at \$.4146 - .4396 per pound for delivery in June.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$21.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets remain firm. Stocks of both rennet and acid continue to be reported as short of full needs. Domestic buyers are stating that deliveries of scheduled shipments are often delayed or lighter than anticipated. Buyers do not anticipate much recovery for the balance of this quarter and question full availability for second and third quarters. Most feel that prices will remain firm this year. Casein imports into the United States during November totaled 8,231,622 kg. This brings the 11 month total for 1999 to 69,975,961 kg, 5% less than the comparable 11 months in 1998.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.9000 - 2.1000

ACID: 1.9000 - 2.1500

COFFEE, SUGAR & COCOA EXCHANGE (A subsidiary of the NEW YORK BOARD OF TRADE) AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	02/16	02/17	02/18	02/21	02/22	02/23	02/24	02/25	02/28	02/29
CSCE/NYBT - BFP -- Dollars per cwt.										
FEB 00	9.70 (47) 0	9.70 (47) 0	9.65 (47) 0	NO TRADING	9.65 (47) 0	9.65 (47) 0	9.60 (47) 0	9.60 (47) 0	9.60 (47) 0	9.60 (47) 0
MAR 00	9.90 (50) 0	9.85 (49) 2	9.71 (49) 1		9.80 (49) 0	9.80 (49) 0	9.80 (47) 2	9.80 (47) 0	9.80 (48) 1	9.80 (48) 0
APR 00	9.95 (50) 0	9.95 (50) 0	9.93 (50) 0		9.85 (50) 0	9.86 (50) 0	9.85 (50) 1	9.85 (50) 0	9.90 (50) 0	9.95 (51) 1
MAY 00	10.18 (45) 1	10.18 (45) 0	10.10 (45) 0		10.00 (46) 1	10.00 (46) 0	10.05 (46) 0	10.10 (47) 1	10.25 (47) 0	10.40 (47) 0
JUN 00	11.10 (48) 1	11.00 (48) 1	10.75 (50) 2		10.80 (51) 1	10.75 (51) 1	10.80 (51) 0	10.90 (52) 1	11.00 (52) 0	11.15 (52) 0
JUL 00	11.95 (38) 1	11.75 (40) 2	11.65 (41) 1		11.60 (43) 2	11.60 (43) 0	11.60 (43) 0	11.65 (45) 2	11.80 (45) 0	11.95 (45) 0
AUG 00	12.25 (26) 1	12.20 (26) 0	12.00 (26) 0		12.05 (26) 0	12.05 (27) 1	12.05 (27) 0	12.15 (27) 0	12.20 (29) 2	12.30 (29) 0
SEP 00	12.58 (32) 1	12.52 (32) 0	12.25 (32) 0		12.30 (32) 0	12.25 (32) 0	12.25 (32) 0	12.35 (33) 2	12.40 (34) 1	12.45 (34) 0
OCT 00	12.65 (14) 0	12.65 (14) 0	12.65 (14) 0		12.28 (14) 0	12.28 (14) 0	12.28 (14) 0	12.28 (14) 0	12.35 (15) 1	12.50 (15) 0
NOV 00	12.18 (6) 0	12.18 (6) 0	12.10 (6) 0		12.10 (6) 0	12.00 (6) 0	12.10 (6) 0	12.15 (6) 0	12.20 (7) 1	12.25 (7) 0
DEC 00	11.95 (2) 1	11.95 (2) 0	11.95 (2) 0		12.00 (2) 0	11.95 (2) 0	11.95 (2) 0	11.95 (2) 0	12.05 (2) 0	12.05 (2) 0
JAN 01	11.65 (0) 0	11.60 (0) 0	11.55 (0) 2		11.55 (0) 0	11.45 (0) 0	11.45 (0) 0	11.35 (0) 0	11.40 (0) 0	11.40 (0) 0
CME - BUTTER -- Cents per pound										
FEB 00	92.00 (132) 50	92.00		NO TRADING						
MAR 00	92.00 (179) 8	95.00 (179) 5	95.00 (179) 0		95.00 (179) 0	95.00 (178) 6	95.00 (178) 0	95.00 (178) 0	96.00 (177) 3	96.00 (177) 0
MAY 00	93.50 (123) 0	95.25 (123) 0	97.50 (123) 0		97.50 (123) 0	97.50 (123) 0	97.55 (123) 0	98.00 (123) 0	98.525 (125) 2	98.75 (130) 0
JUL 00	96.25 (381) 56	100.00 (381) 2	101.50 (381) 0		101.50 (381) 0	101.00 (382) 3	101.25 (382) 0	101.25 (382) 0	102.025 (383) 1	102.525 (403) 30
SEP 00	100.00 (435) 0	101.50 (435) 0	102.00 (435) 0		102.00 (435) 0	103.025 (433) 4	104.30 (433) 0	104.30 (433) 0	105.025 (433) 0	105.275 (445) 0
OCT 00	101.025 (219) 1	102.025 (219) 0	102.525 (219) 0		103.025 (219) 0	103.525 (219) 0	105.275 (219) 0	105.275 (219) 0	105.275 (219) 0	105.275 (231) 0
CME - BFP -- Dollars per cwt.										
FEB 00	9.60 (910) 17	9.61 (910) 1	9.60 (900) 13	NO TRADING	9.55 (892) 29	9.55 (892) 0	9.56 (892) 1	9.56 (891) 1	9.56 (891) 0	9.56 (891) 0
MAR 00	9.81 (711) 9	9.81 (721) 20	9.82 (721) 0		9.75 (734) 29	9.75 (734) 0	9.78 (732) 2	9.85 (734) 5	9.85 (735) 1	9.85 (735) 0
APR 00	10.01 (570) 24	9.99 (577) 15	9.99 (577) 11		9.83 (574) 25	9.84 (574) 7	9.84 (574) 2	9.90 (576) 3	9.99 (578) 3	10.05 (577) 7
MAY 00	10.15 (549) 22	10.10 (554) 21	10.10 (555) 2		10.05 (563) 36	10.05 (564) 2	10.03 (566) 4	10.15 (567) 1	10.25 (568) 5	10.40 (570) 6
JUN 00	11.06 (652) 46	10.91 (699) 81	10.85 (739) 80		10.85 (745) 49	10.80 (759) 31	10.82 (763) 11	10.90 (763) 8	11.00 (759) 11	11.15 (765) 44
JUL 00	11.95 (925) 99	11.83 (964) 75	11.70 (1042) 134		11.69 (1052) 69	11.64 (1062) 31	11.65 (1063) 16	11.68 (1073) 19	11.81 (1073) 13	11.91 (1083) 29
AUG 00	12.30 (775) 62	12.19 (813) 58	12.25 (864) 110		12.10 (948) 154	12.09 (955) 29	12.07 (962) 20	12.16 (967) 8	12.20 (968) 17	12.35 (973) 20
SEP 00	12.57 (526) 43	12.48 (543) 61	12.39 (605) 73		12.35 (670) 136	12.28 (674) 21	12.27 (681) 8	12.32 (680) 5	12.35 (697) 22	12.45 (699) 17
OCT 00	12.75 (472) 62	12.70 (489) 24	12.50 (506) 39		12.35 (542) 52	12.35 (550) 16	12.36 (562) 16	12.42 (562) 8	12.50 (566) 14	12.52 (568) 18
NOV 00	12.25 (242) 30	12.20 (257) 26	12.20 (301) 81		12.10 (341) 120	12.11 (345) 4	12.10 (346) 11	12.15 (343) 3	12.25 (346) 7	12.25 (353) 15
DEC 00	12.07 (174) 17	12.10 (196) 27	12.05 (246) 89		12.00 (269) 63	12.00 (274) 7	11.98 (274) 1	12.05 (274) 4	12.09 (283) 11	12.05 (284) 7
JAN 01	11.69 (12) 1	11.69 (14) 2	11.55 (14) 1		11.46 (14) 0	11.35 (16) 2	11.31 (16) 0	11.41 (19) 3	11.41 (19) 0	11.41 (19) 0

1/ At the CSCE/NYBT Open interest for BFP -- 100,000 pounds per contract. At the CME Open interest for BFP -- 200,000 pounds per contract.

For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

NOTE: The CME started futures trading for dry whey and nonfat dry milk (NDM) on November 16, 1998. Up to this point, there have been no settling prices recorded for either product.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered February 21 - March 3, 2000

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: A firm U.S. dollar is giving European traders an advantage in the international dairy market. Also during the week, the Euro dipped to a new low, but has since recovered somewhat. Although this financial advantage is at hand, limited supply continues to hinder significant sales activity. Traders continue to report that buyer interest is occurring, but sourcing the supply and meeting the buyers delivery time line, especially for immediate shipment, is a real challenge. Traders are reporting that buyer interest is developing for deliveries later in the spring. Even this buyer interest is being met with seller caution. European milk production is on the eve of seasonal increases, although most producers have to closely monitor their milk marketings as the milk quota year end nears. European sources anticipate milk production to be seasonally strong during the new quota year beginning April 1. In light of favorable milk volumes, traders and milk handlers still question whether they will be able to fill the potentially high level of buyer interest. Traders are aware of the Oceania supply situation as that region of the world enters its winter season, thus feeling that European stocks might be highly sought.

BUTTER/BUTTEROIL: European butter markets are weak with prices unchanged to lower. Stocks of butter are reported to be readily available should buyer interest develop. For the most part, sales activity continues to center around domestic or nearby needs. In the past few weeks, butter intervention has opened in most European countries. Intervention will remain open depending on market conditions and if prices remain below 92% of the intervention equivalent.

82% BUTTERFAT:	1,250 - 1,325
99% BUTTERFAT:	1,400 - 1,600

SKIM MILK POWDER (SMP): Skim milk powder markets remain firm with prices basically steady. Stocks of powder are limited to the point that timely shipments of previously acknowledged sales are sometimes difficult to fill. European traders have mixed opinions as to powder availability during upcoming months. Many feel that powder will be sufficient for most needs with offerings to intervention slower and lighter than last year.

1.25% BUTTERFAT:	1,470 - 1,550
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WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady with prices unchanged to slightly lower on the top end of the reported range. Stocks of powder are limited with immediate shipments difficult to fill. As in the skim milk powder markets, current sales activity is being influenced by the refund situation of the seller. Traders are stating that price spread differences of as much as \$100 per ton are enough to gain or lose the sale.

26% BUTTERFAT:	1,550 - 1,630
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SWEET WHEY POWDER: European whey markets are weak with prices significantly lower than past weeks. Whey stocks are readily available should potential buyer interest develop. An upcoming Japanese tender is soon to be announced with European traders wondering if they will be part of the award. They feel that prices have weakened to a point that makes them comparable to other areas of the world.

NONHYGROSCOPIC:	420 - 500
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OVERVIEW: EASTERN EUROPE: The dairy situation in Eastern Europe remains much the same as in past weeks. Milk production is seasonally low, although showing signs of seasonal increases. Milk output in Poland last season was down in comparison to the previous season, thus predictions for the new season are optimistic. At this time, available stocks of manufactured dairy products are limited. Butter is reported to be the most available and for sale. As in Western Europe, lack of significant butter sales to Russia during the winter season is causing butter to be available at this time. Offerings of dairy products from Eastern Europe during the upcoming months is still unclear. Traders anticipate that milk output will be stronger this year and that manufactured dairy products will be available for potential buyer interest.

OCEANIA

OVERVIEW: Milk production in the Oceania region continues to decline seasonally although running strong when compared to last season. In New Zealand, January production figures indicate a 21% increase over January 1999 with a cumulative output running 12% heavier for the first eight months of the production season. In Australia, milk output remains strong, but not as hefty as New Zealand. For January, milk output is pegged at 7% heavier than last January with a cumulative increase of between 6 and 7%. New Zealand's milk volumes are much heavier than last year, although more in line with milk output of two years ago. Milk handlers indicate that milk volumes in both countries will start to show noticeable declines now that 2/3 of the production season is past. For the most part, stocks of Oceania produced dairy products are much the same as they have been. A strong milk production season has provided good volumes of milk to generate favorable inventories, although good sales activity is clearing most of the available stock.

BUTTER: The butter market tone is weak, although prices are holding basically steady to slightly lower. Of all of the Oceania dairy products produced, butter is reported to be the most available at this time. Ongoing sales activity continues to clear good volumes, although additional volumes are available for buyer interest. Lack of significant butter sales into the Russian market this winter is one reason Oceania traders report available butter stocks above and beyond regular needs.

82% BUTTERFAT:	1,200 - 1,225
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CHEDDAR CHEESE: Cheese markets in the Oceania region are generally steady at unchanged prices. Some cheese handlers are stating that they have heard of slightly higher asking prices, but are unable to confirm sales at the higher prices. Ongoing buyer interest continues to clear stocks from both Australia and New Zealand with minimal volumes remaining for new buyer interest. Although stocks are in close balance, Oceania traders are not overly concerned about having sufficient stocks to maintain regular sales activity.

39% MAXIMUM MOISTURE:	1,700 - 1,775
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SKIM MILK POWDER (SMP): Skim milk powder markets are generally steady with prices remaining firm. Stocks are reported to be lighter than desired for this time of the year and, for the most part, fully committed. Ongoing good sales are clearing available stocks with virtually no powder available for spot buyer interest.

1.25% BUTTERFAT:	1,550 - 1,600
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WHOLE MILK POWDER (WMP): Whole milk powder markets are steady at unchanged prices. Trading activity out of the Oceania region has been good. Stocks are sufficient to meet ongoing buyer interest, although additional volumes for spot buyer interest are reported to be limited. Oceania traders indicate that most of their stock and projected production is committed.

26% BUTTERFAT:	1,550 - 1,650
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Exchange rates for selected foreign currencies:	February 28, 2000
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.4411 Dutch Guilder	.4970 German Mark
.1482 French Franc	.4862 New Zealand Dollar
.1066 Mexican Peso	.6144 Australian Dollar
1.5952 British Pound	.0091 Japanese Yen
.2398 Polish Zloty	.9720 Euro

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.1066) = 9.3809$. That is 1 US Dollar equals 9.3809 Mexican Pesos.

Source: "Wall Street Journal"

MONTHLY SUMMARY AND AVERAGES FOR FEBRUARY 2000 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 5	REPORT NUMBER 6	REPORT NUMBER 7	REPORT NUMBER 8	REPORT NUMBER 9	2000	1999
	-----	-----	-----	-----	-----	Average	Average
	FEB 01 - 04	FEB 07 - 11	FEB 14 - 18	FEB 21 - 25	FEB 28 - 29	or Total	or Total

CHEESE

MIDWEST COMMODITY CHeddar

-- Cheddar Barrel s :: 1.0825 - 1.1050 :: 1.0750 - 1.1000 :: 1.0700 - 1.1000 :: 1.0850 - 1.1150 :: 1.0900 - 1.1125 :: 1.0920 : 1.2643
 -- Cheddar 40# Blocks :: 1.1100 - 1.1425 :: 1.0900 - 1.1425 :: 1.0850 - 1.1400 :: 1.0950 - 1.1275 :: 1.0950 - 1.1275 :: 1.1158 : 1.3150

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf :: 1.2700 - 1.5100 :: 1.2650 - 1.4700 :: 1.2600 - 1.4700 :: 1.2600 - 1.4700 :: 1.2600 - 1.4700 :: 1.3706 : 1.7465
 -- Brick And/Or Munster 5# :: 1.4500 - 1.6700 :: 1.4500 - 1.6700 :: 1.4500 - 1.6700 :: 1.4300 - 1.6675 :: 1.4300 - 1.6650 :: 1.5565 : 1.8745
 -- Cheddar 40# Block :: 1.4600 - 2.1150 :: 1.4300 - 2.1150 :: 1.4300 - 2.1150 :: 1.4100 - 2.1150 :: 1.4100 - 2.1150 :: 1.7725 : 1.8378
 -- Monterey Jack 10# :: 1.6300 - 2.1150 :: 1.6100 - 2.1150 :: 1.6100 - 2.1150 :: 1.5900 - 2.1150 :: 1.5900 - 2.1150 :: 1.8615 : 1.9604
 -- Blue 5# :: 1.8050 - 2.0600 :: 1.8050 - 2.0300 :: 1.8050 - 2.0300 :: 1.8025 - 2.0100 :: 1.8000 - 2.0100 :: 1.9170 : 2.2022
 -- Mozzarella 5 - 6# :: 1.5300 - 2.2150 :: 1.5000 - 2.2150 :: 1.5000 - 2.2150 :: 1.4800 - 2.2150 :: 1.4800 - 2.2150 :: 1.8575 : 1.9231
 -- Grade A Swiss Outs 6 - 9# :: 2.1000 - 2.6850 :: 2.1000 - 2.6850 :: 2.1000 - 2.6850 :: 2.1000 - 2.6850 :: 2.1000 - 2.6850 :: 2.3925 : 2.6125

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints :: 1.1250 - 1.6150 :: 1.1250 - 1.6150 :: 1.1250 - 1.6150 :: 1.1225 - 1.6125 :: 1.1200 - 1.6100 :: 1.3690 : 1.5418
 -- Cheddar Single Dai sies :: 1.1050 - 1.5650 :: 1.1050 - 1.5650 :: 1.1050 - 1.5650 :: 1.1025 - 1.5625 :: 1.1000 - 1.5600 :: 1.3340 : 1.5280
 -- Cheddar 40# Block :: 1.2500 - 1.4275 :: 1.2500 - 1.4275 :: 1.2500 - 1.4275 :: 1.2475 - 1.4250 :: 1.2450 - 1.4225 :: 1.3378 : 1.5130
 -- Process 5# Loaf :: 1.3100 - 1.4625 :: 1.3050 - 1.4575 :: 1.3000 - 1.4500 :: 1.3050 - 1.4675 :: 1.3100 - 1.4725 :: 1.3827 : 1.5312
 -- Process 5# Sliced :: 1.3300 - 1.5675 :: 1.3250 - 1.5625 :: 1.3200 - 1.5575 :: 1.3250 - 1.5725 :: 1.3300 - 1.5775 :: 1.4455 : 1.5937
 -- Munster :: 1.3075 - 1.6100 :: 1.3075 - 1.6100 :: 1.3075 - 1.6100 :: 1.3050 - 1.6075 :: 1.3025 - 1.6050 :: 1.4578 : 1.6296
 -- Grade A Swiss Outs 10 - 14# :: 2.3500 - 2.5500 :: 2.3500 - 2.5500 :: 2.3500 - 2.5500 :: 2.3500 - 2.5500 :: 2.3500 - 2.5500 :: 2.4500 : 2.4500

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf :: 1.2450 - 1.5050 :: 1.2400 - 1.5000 :: 1.2350 - 1.4950 :: 1.2500 - 1.5100 :: 1.2550 - 1.5150 :: 1.3733 : 1.5449
 -- Cheddar 40# Block :: 1.2300 - 1.3700 :: 1.2300 - 1.3700 :: 1.2300 - 1.3700 :: 1.2300 - 1.3700 :: 1.2275 - 1.3675 :: 1.2998 : 1.4905
 -- Cheddar 10# Outs :: 1.4100 - 1.6300 :: 1.4100 - 1.6300 :: 1.4100 - 1.6300 :: 1.4100 - 1.6300 :: 1.4075 - 1.6275 :: 1.5198 : 1.7168
 -- Monterey Jack 10# :: 1.4200 - 1.5800 :: 1.4200 - 1.5800 :: 1.4200 - 1.5800 :: 1.4200 - 1.5800 :: 1.4175 - 1.5775 :: 1.4998 : 1.7068
 -- Grade A Swiss Outs 6 - 9# :: 2.1500 - 2.4000 :: 2.1500 - 2.4000 :: 2.1500 - 2.4000 :: 2.1500 - 2.4000 :: 2.1500 - 2.4000 :: 2.2750 : 2.4018

FLUID AND DRY PRODUCTS

SPOT PRICES OF CLASS III CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b. :: 1.0800 - 1.2150 :: 1.1490 - 1.2783 :: 1.0498 - 1.1765 :: 1.0541 - 1.1613 :: 1.1236 - 1.2640 :: 1.1521 : 1.5871
 -- Atlanta - delivered :: 1.0800 - 1.1970 :: 1.1490 - 1.2448 :: 1.0408 - 1.1675 :: 1.0273 - 1.1613 :: 1.1048 - 1.2172 :: 1.1379 : 1.5959
 -- Upper Midwest - f.o.b. :: 1.1700 - 1.2285 :: 1.2448 - 1.2994 :: 1.1765 - 1.1946 :: 1.1613 - 1.1830 :: 1.1891 - 1.2359 :: 1.2099 : 1.6681

PRICES OF CLASS III CONDENSED SKIM (\$ per lb. wet solids)

-- Northeast - f.o.b. :: 0.9900 - 1.1500 :: 0.9900 - 1.1500 :: 0.9900 - 1.1500 :: 0.9900 - 1.1500 :: 0.9900 - 1.1500 :: 1.0700 : 1.3611

SPOT PRICES OF CLASS III CONDENSED SKIM (\$ per lb. wet solids)

-- Northeast - f.o.b. :: 0.9000 - 1.0000 :: 0.9000 - 1.0000 :: 0.9000 - 1.0000 :: 0.9000 - 1.0000 :: 0.9000 - 1.0000 :: 0.9500 : TFEWR

WISCONSIN FLUID MILK SHIPMENTS

-- Loads Shipped from Wisconsin Shipping Points :: 16 :: 14 :: 0 :: 0 :: 0 :: 30 : 0

NATIONAL EVAPORATED MILK (\$ per Case)

(Case - 48 - 12 fluid oz cans)

-- Delivered Major U.S. Cities :: 21.0000 - 33.0000 :: 21.0000 - 33.0000 :: 21.0000 - 33.0000 :: 21.0000 - 33.0000 :: 21.0000 - 33.0000 :: 27.0000 : 28.3100

MONTHLY SUMMARY AND AVERAGES FOR FEBRUARY 2000 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 5	REPORT NUMBER 6	REPORT NUMBER 7	REPORT NUMBER 8	REPORT NUMBER 9	2000	1999
	FEB 01 - 04	FEB 07 - 11	FEB 14 - 18	FEB 21 - 25	FEB 28 - 29	Average or Total	Average or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central (f.o.b.)							
-- Low/Medium Heat	0.9900 - 1.0150	0.9900 - 1.0150	0.9900 - 1.0150	0.9900 - 1.0150	0.9900 - 1.0150	1.0025	1.0437
-- Mostly	1.0100 - 1.0150	1.0000 - 1.0125	1.0000 - 1.0100	1.0000 - 1.0100	1.0000 - 1.0100	1.0068	1.0388
-- West (f.o.b.)							
-- Low/Medium Heat	0.9850 - 1.0200	0.9900 - 1.0200	0.9850 - 1.0200	0.9800 - 1.0200	0.9800 - 1.0200	1.0024	1.0257
-- Mostly	1.0000 - 1.0100	1.0000 - 1.0100	1.0000 - 1.0100	1.0000 - 1.0100	1.0000 - 1.0100	1.0050	1.0163
-- High Heat	1.0200 - 1.0400	1.0200 - 1.0400	1.0200 - 1.0400	1.0200 - 1.0400	1.0100 - 1.0400	1.0295	1.0505
-- Northeast (f.o.b.)							
-- Low/Medium Heat	0.9900 - 1.0300	0.9900 - 1.0300	1.0000 - 1.0300	1.0000 - 1.0300	1.0000 - 1.0300	1.0128	1.0676
-- Mostly	1.0000 - 1.0100	1.0000 - 1.0100	1.0000 - 1.0100	1.0000 - 1.0100	1.0000 - 1.0100	1.0050	1.0553
-- High Heat	1.0400 - 1.1000	1.0400 - 1.0950	1.0400 - 1.0950	1.0350 - 1.0950	1.0350 - 1.0950	1.0673	1.1137
-- Mostly	1.0400 - 1.0600	1.0400 - 1.0600	1.0400 - 1.0600	1.0400 - 1.0600	1.0400 - 1.0600	1.0500	1.0963
-- Southeast (Delvd)							
-- Extra & Grade A	1.0300 - 1.1200	1.0300 - 1.1200	1.0300 - 1.1150	1.0300 - 1.1150	1.0300 - 1.1150	1.0736	1.1038
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.1675 - 0.1850	0.1500 - 0.1875	0.1700 - 0.1850	0.1700 - 0.1850	0.1700 - 0.1850	0.1751	0.1875
-- Mostly	0.1725 - 0.1825	0.1700 - 0.1800	0.1700 - 0.1800	0.1700 - 0.1800	0.1700 - 0.1800	0.1755	0.1850
-- West (f.o.b.)	0.1700 - 0.2000	0.1600 - 0.2000	0.1600 - 0.1975	0.1650 - 0.1900	0.1650 - 0.1900	0.1799	0.2013
-- Mostly	0.1800 - 0.1850	0.1750 - 0.1825	0.1700 - 0.1825	0.1700 - 0.1775	0.1700 - 0.1775	0.1774	0.1960
-- Northeast Extra Grade (f.o.b.)	0.1725 - 0.1800	0.1725 - 0.1800	0.1725 - 0.1800	0.1725 - 0.1800	0.1750 - 0.1850	0.1766	0.1850
-- Northeast Usph Grade A (f.o.b.)	0.1875 - 0.2000	0.1875 - 0.2000	0.1850 - 0.2000	0.1850 - 0.2000	0.1850 - 0.1950	0.1923	0.2015
-- Southeast Extra Grade (Delvd)	0.1950 - 0.2200	0.1950 - 0.2200	0.1950 - 0.2200	0.1950 - 0.2200	0.1950 - 0.2200	0.2075	0.2175
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.4050 - 0.4650	0.4100 - 0.5100	0.4300 - 0.5100	0.4550 - 0.4850	0.4700 - 0.5000	0.4620	0.4945
-- Mostly	0.4350 - 0.4450	0.4350 - 0.4450	0.4500 - 0.4600	0.4650 - 0.4750	0.4800 - 0.4850	0.4540	0.4932
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.1300 - 0.1700	0.1300 - 0.1550	0.1300 - 0.1700	0.1300 - 0.1550	0.1300 - 0.1675	0.1465	0.1600
-- Standard	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR
-- Roller Ground	0.1600 - 0.1850	0.1600 - 0.1850	0.1600 - 0.1825	0.1600 - 0.1825	0.1600 - 0.1825	0.1718	0.2013
-- Delactose	0.2600 - 0.3150	0.2600 - 0.3150	0.2600 - 0.3150	0.2600 - 0.3150	0.2600 - 0.3150	0.2875	0.3225
-- Northeast (f.o.b.)							
-- Milk Replacer	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	0.6300 - 0.7800	0.6300 - 0.7700	0.6300 - 0.7700	0.6250 - 0.7400	0.6300 - 0.7200	0.6950	0.7392
-- West (f.o.b.)	0.5700 - 0.7300	0.5500 - 0.7150	0.5500 - 0.6300	0.5500 - 0.6300	0.5500 - 0.6400	0.6131	0.7163
-- Mostly	0.6000 - 0.6300	0.6000 - 0.6100	0.6000 - 0.6100	0.6000 - 0.6100	0.6000 - 0.6100	0.6070	0.7192
-- Northeast (f.o.b.)	0.7400 - 0.7700	0.7400 - 0.7550	0.7000 - 0.7550	0.7000 - 0.7550	0.6800 - 0.7400	0.7363	0.7607
-- Southeast (Delvd)	0.6800 - 0.7700	0.6800 - 0.7700	0.6800 - 0.7650	0.6700 - 0.7650	0.6700 - 0.7625	0.7220	0.7724
WHOLE MILK POWDER							
-- National							
-- National (f.o.b.)	1.0700 - 1.2500	1.0700 - 1.2500	1.0700 - 1.2500	1.0700 - 1.2500	1.0700 - 1.2500	1.1600	1.4916
LACTOSE							
-- Central And West (f.o.b.)	0.1800 - 0.2500	0.1800 - 0.2500	0.1800 - 0.2500	0.1800 - 0.2500	0.1800 - 0.2500	0.2150	0.1800
-- Mostly	0.1950 - 0.2050	0.1950 - 0.2050	0.1950 - 0.2050	0.1950 - 0.2050	0.1950 - 0.2050	0.2000	0.1675
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	1.8000 - 2.1000	1.8000 - 2.1000	1.8000 - 2.1000	1.9000 - 2.1000	1.9000 - 2.1000	1.9650	1.9750
-- Nonrestricted - Acid	1.8500 - 2.1000	1.8500 - 2.1000	1.8500 - 2.1000	1.9000 - 2.1500	1.9000 - 2.1500	1.9900	1.9500

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR FEBRUARY 2000

COMMODITY	REPORT NUMBER 5	REPORT NUMBER 6	REPORT NUMBER 7	REPORT NUMBER 8	REPORT NUMBER 9	2000 *	1999 *
	FEB 1 - 4	FEB 7 - 11	FEB 14 - 18	FEB 22 - 25	FEB 28 - 29	Monthly Average	Monthly Average
BUTTER*							
-- GRADE AA							
--Monday		0.9300	0.8750	#	0.9700		
--Tuesday							
--Wednesday	0.9700	0.9050	0.8950	0.9225			
--Thursday							
--Friday	0.9625	0.8800	0.9100	0.9500		0.9245	1.3156
--Weekly Average**	0.9575	0.9050	0.8933	0.9363			
CHEESE*							
-- BARRELS							
--Monday		1.0800	1.0800	#	1.1000		
--Tuesday	1.0900	1.0800	1.1000	1.1000	1.1025		
--Wednesday	1.0825	1.0800	1.1000	1.1000			
--Thursday	1.0825	1.0800	1.1000	1.1000			
--Friday	1.0825	1.0800	1.1000	1.1000		1.0910	1.2847
--Weekly Average**	1.0855	1.0800	1.0960	1.1000			
-- 40# BLOCKS							
--Monday		1.1100	1.1100	#	1.1100		
--Tuesday	1.1100	1.1100	1.1050	1.1050	1.1150		
--Wednesday	1.1100	1.1100	1.1100	1.1000			
--Thursday	1.1100	1.1100	1.1050	1.1100			
--Friday	1.1100	1.1100	1.1100	1.1100		1.1090	1.3189
--Weekly Average**	1.1100	1.1100	1.1080	1.1063			
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday		1.0300	1.0300	#	1.0300		
--Tuesday	1.0300	1.0300	1.0300	1.0300	1.0300		
--Wednesday	1.0300	1.0300	1.0300	1.0300			
--Thursday	1.0300	1.0300	1.0300	1.0300			
--Friday	1.0300	1.0300	1.0300	1.0300		1.0300	1.0384
--Weekly Average**	1.0300	1.0300	1.0300	1.0300			
-- GRADE A							
--Monday		1.0300	1.0300	#	1.0300		
--Tuesday	1.0300	1.0300	1.0300	1.0300	1.0300		
--Wednesday	1.0300	1.0300	1.0300	1.0300			
--Thursday	1.0300	1.0300	1.0300	1.0300			
--Friday	1.0300	1.0300	1.0300	1.0300		1.0300	1.0500
--Weekly Average**	1.0300	1.0300	1.0300	1.0300			

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

Holiday, the CME was closed.

F E B R U A R Y 2000 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY 1999 - JANUARY 2000		79,951		
02/01	ASIA & FSU	140	FEB-OCT	\$725
02/01	CARIBBEAN, CENT & S. AM	395	FEB-JUL	\$712.34
02/02	CARIBBEAN, CENT & S. AM	440	FEB-SEP	\$702.27
02/02	AFRICA & MIDDLE EAST	185	FEB-JUN	\$745
02/03	ASIA & FSU	20	FEB-MAR	\$725
02/03	CARIBBEAN, CENT & S. AM	66	FEB-APR	\$700
02/04	ASIA & FSU	1,800	FEB-OCT	\$725
02/04	CARIBBEAN, CENT & S. AM	314	FEB-JUN	\$700
02/07	AFRICA & MIDDLE EAST	40	FEB-JUN	\$745
02/07	CARIBBEAN, CENT & S. AM	690	FEB-OCT	\$700
02/07	ASIA & FSU	590	FEB-JUN	\$723.99
02/10	CARIBBEAN, CENT & S. AM	60	APR-MAY	\$675
02/11	CARIBBEAN, CENT & S. AM	360	FEB-JUN	\$654.17
02/14	CARIBBEAN, CENT & S. AM	128	MAR-MAY	\$655.47
02/15	CARIBBEAN, CENT & S. AM	400	FEB-OCT	\$650
02/18	CARIBBEAN, CENT & S. AM	34	FEB-APR	\$675
02/23	CARIBBEAN, CENT & S. AM	20	MAR-APR	\$675
02/29	CARIBBEAN, CENT & S. AM	9	MAR-APR	\$650
FEBRUARY 1-29, 2000		<u>5,691</u>		
WHOLE MILK POWDER				
JULY 1999 - JANUARY 2000		7,053		
02/03	CARIBBEAN, CENT & S. AM	40	MAY-SEP	\$1,175
02/04	CARIBBEAN, CENT & S. AM	1,080	FEB-JUL	\$1,150
02/04	AFRICA, MIDDLE EAST & FSU	85	FEB	\$1,200
02/07	CARIBBEAN, CENT & S. AM	1,000	FEB-JUL	\$1,138
02/08	CARIBBEAN, CENT & S. AM	219	FEB-JUL	\$1,122.28
02/09	CARIBBEAN, CENT & S. AM	200	MAR-JUL	\$1,098
FEBRUARY 1 - 29, 2000		<u>2,624</u>		
CHEESE				
JULY 1999 - JANUARY 2000		1,356		
02/01-M	CARIBBEAN, CENT & S. AM	19	FEB-MAR	\$700
02/11-M	AFRICA & MIDDLE EAST	44	FEB-MAY	\$730
02/23-C	CARIBBEAN, CENT & S. AM	25	MAR-APR	\$850
02/24-P	CARIBBEAN, CENT & S. AM	25	FEB-MAR	\$574.12
02/25-M	AFRICA & MIDDLE EAST	22	FEB-MAY	\$730
02/28-M	AFRICA & MIDDLE EAST	22	FEB-MAY	\$725
02/29-M	AFRICA & MIDDLE EAST	22	FEB-MAY	\$730
FEBRUARY 1 - 29, 2000		<u>179</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V - VARIETAL				
BUTTERFAT				
JULY 1999 - JANUARY 2000		4,108		
02/09-B	AFRICA & MIDDLE EAST	20	FEB-JUN	\$975
02/11-B	AFRICA & MIDDLE EAST	500	FEB-AUG	\$975
02/15-A	CARIBBEAN, CENT & S. AM	134	FEB-MAY	\$1,475
02/23-A	CARIBBEAN, CENT & S. AM	250	MAR-JUL	\$1,500
FEBRUARY 1 - 29, 2000		<u>904</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
TOTAL MT				PROGRAM TO DATE
TOTAL BONUS VALUE				101,843
				\$99,719,000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

** On May 13, 1999, Sec. Glickman reallocated an additional 20,000 MT of NDM, 7,500 MT of Whole Milk Powder & 1,270 MT of Cheese for the current program year.

FEBRUARY AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 2000 advanced 1 point to 119. Compared with February 1999, the index was up 4 points (3.5 percent). The index of prices received by farmers for dairy products declined 2 points during the month of February 2000 to 90. Compared with February 1999, the index was down 29 points (24.4 percent).

Prices received by farmers in February with changes from January were: for All Milk, \$11.80 per hundredweight (cwt.), down \$.20; Fluid Grade Milk, \$11.90 per cwt., down \$.10; and for Manufacturing Grade Milk, \$10.50 per cwt., down \$.20.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., FEBRUARY 2000 WITH COMPARISONS

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	JANUARY		FEBRUARY		FEBRUARY		FEBRUARY		FEBRUARY	
	2000 2/	1999 2/	2000 4/	1999 2/	2000	1999	2000 7/	1999 8/	2000	1999
CA	11.00	16.20	11.00	15.39	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		36.50	34.60	79.00	78.00
ID	10.60	14.40	10.30	12.00			37.60	34.90	83.00	72.00
MI	12.30	18.20	12.40	16.80			36.50	34.20	72.00	80.00
MN	11.52	16.97	11.10	13.47			38.00	35.60	60.00	64.00
NY	12.80	18.00	12.50	15.80			---	---	117.00	105.00
OH	12.40	18.60	12.30	17.10			37.00	35.00	110.00	96.00
PA	13.20	18.30	13.30	17.10			37.50	35.80	138.00	116.00
TX	12.80	18.00	12.30	15.90			34.90	33.20	70.00	88.00
WA	11.70	17.00	11.60	15.20			---	---	104.00	101.00
WI	11.64	16.77	11.50	13.14			38.60	35.40	49.00	67.00
U.S.	12.00	17.40	11.80	15.50			37.00	34.70	72.60	79.00

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., FEBRUARY 2000 WITH COMPARISONS

ITEM	FEBRUARY 1999	JANUARY 2000 1/	FEBRUARY 2000 2/
PRICES RECEIVED BY FARMERS , dol. per cwt., at reported butterfat test:			
All milk	15.50	12.00	11.80
Fluid grade milk	15.60	12.00	11.90
Manufacturing grade milk	12.30	10.70	10.50
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	96	90	92
Prices received by farmers for dairy products	119	92	90
Prices paid by farmers for commodities and services, interest taxes, and wage rates	115	118	119
Prices paid by farmers for production items	111	115	115
Prices paid by farmers for feed	103	102	103
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 3/	3.67	3.10	2.95

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

SOURCE: "Agricultural Prices," Pr 1 (2/00), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE 1/

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>
NOV 1999	165.2	1.9	164.6	5.6	165.7	9.1	165.7	4.7	135.6	-27.5	150.5	1.8
DEC 1999	165.4	1.9	162.1	2.9	158.6	2.2	165.3	4.0	131.0	-22.4	149.8	1.7
JAN 2000	166.1	1.5	160.4	-0.5	155.1	-3.4	164.1	1.7	138.6	-15.1	150.2	2.6
U.S. City Average Retail Prices												
Month	Whole Milk <u>4/</u>		Lowfat Milk <u>4/</u>		Butter <u>5/</u>		Process Cheese <u>6/</u>		Natural Cheese <u>7/</u>		Ice Cream <u>8/</u>	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
	Dollars											
NOVEMBER	2.981	2.800	2.942	2.651	2.449	3.623	3.789	3.803	3.918	3.657	3.338	3.373
DECEMBER	2.876	2.859	2.833	2.758	2.272	3.176	3.850	3.738	3.845	3.759	3.404	3.301
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
JANUARY	2.785	2.940	2.717	2.852	2.425	3.002	3.843	3.814	3.839	3.748	3.324	3.379

NA = Not available. 1/ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. 2/ The standard reference base period for these indexes is 1982-1984 = 100. 3/ Percent change over previous year. 4/ Per gallon. 5/ Per pound. Grade AA, salted, stick butter. 6/ Per pound, any size and type of package. 7/ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). 8/ Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS-OCTOBER-DECEMBER AND YEAR-TO-DATE 1998-99 1/

Item	Oct.-Dec. 1998	Percent change <u>4/</u>	Oct.-Dec. 1999	Percent change <u>4/</u>	Jan.-Dec. 1998	Percent change <u>4/</u>	Jan.-Dec. 1999	Percent change <u>4/</u>
	Million Pounds							
<u>MILK</u>								
Production	38,937	2.4	40,406	3.8	157,441	0.9	162,711	3.3
Marketings	38,594	2.4	40,078	3.8	156,080	0.9	161,411	3.4
Beginning Commercial Stocks <u>2/</u>	5,793	-2.5	7,442	28.5	4,889	3.9	5,274	7.9
Imports <u>2/</u>	1,340	51.9	1,273	-5.0	4,587	70.1	4,743	3.4
Total Supply <u>3/</u>	45,727	2.8	48,793	6.7	165,556	2.1	171,428	3.5
Ending Commercial Stocks <u>2/</u>	5,274	7.9	6,137	16.4	5,274	7.9	6,137	16.4
Net Removals <u>2/</u>	49	-87.5	122	149.0	366	-66.4	343	-6.3
Commercial Disappearance <u>3/</u>	40,404	3.0	42,534	5.3	159,916	2.4	164,948	3.1
<u>SELECTED PRODUCTS 5/</u>								
Butter	308.6	7.3	339.6	10.0	1,136.6	2.5	1,191.1	4.8
American Cheese	854.1	4.7	928.1	8.7	3,349.5	2.5	3,595.7	7.4
Other Cheese	1,231.5	3.9	1,285.9	4.4	4,450.4	1.9	4,671.8	5.0
Nonfat Dry Milk	221.1	13.6	197.2	-10.8	867.4	-3.0	818.8	-5.6
Fluid Milk Products <u>6/</u>	14,228.1	0.3	14,241.2	0.1	55,266.8	-0.4	55,674.8	0.7

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. 2/ Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. 3/ Totals may not add because of rounding. 4/ From year earlier on a daily average basis. 5/ Commercial disappearance in product pounds. 6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through ERS AutoFAX. To request a document, dial (202) 694-5700 and enter document number 11521 when prompted.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF FEBRUARY 28 - MARCH 3			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/99	LAST YEAR	02/25/00	LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	396,000	-0-	396,000	396,000	-0-	-0-	-0-
TOTAL	396,000	-0-	396,000	396,000	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	15,835,037	793,484	15,041,553	139,888,379	16,508,985	-0-	-0-
Fortified	-0-	-0-	-0-	5,313,347	-0-	-0-	-0-
TOTAL	15,835,037	793,484	15,041,553	145,201,726	16,508,985	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	BASIS	SOLIDS		BASIS	SOLIDS
WEEK OF FEBRUARY 28 - MARCH 3, 2000 =	7.0	179.0	COMPARABLE WEEK IN 1999 =	0.8	44.2
CUMULATIVE SINCE OCTOBER 1, 1999 =	35.6	1,694.1	CUMULATIVE SAME PERIOD LAST YEAR =	3.6	192.2
CUMULATIVE JANUARY 1 - MARCH 3, 2000 =	24.4	1,100.9	COMPARABLE CALENDAR YEAR 1999 =	3.6	191.0

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF FEBRUARY 28 - MARCH 3, 2000 (POUNDS)

	BUTTER		CHEESE		NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALED	BLOCK	BARREL	PROCESS
MIDWEST	-0-	-0-	-0-	-0-	-0-	396,000
WEST	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MIDWEST	-0-	-0-	396,000	-0-	14,540,802	-0-	19.2	0.0
WEST	-0-	-0-	-0-	-0-	130,572,740	16,508,985	80.7	100.0
EAST	-0-	-0-	-0-	-0-	88,184	-0-	0.1	0.0
TOTAL	-0-	-0-	396,000	-0-	145,201,726	16,508,985	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 02/12/00 & Comparable Week 1999 1/ 2/

Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL	% DAIRY OF ALL
											WEEK : SINCE JAN 1	WEEK : SINCE JAN 1
2000-Dairy cows HD (000)	0.3	1.0	7.6	5.2	20.8	2.7	1.2	0.8	11.3	3.3	54.0	368.8
1999-Dairy cows HD (000)	0.2	0.9	6.4	6.3	19.6	2.7	3.1	0.8	10.7	3.3	54.0	371.1
2000-All cows HD (000)	0.3	1.2	10.2	15.0	29.4	12.2	14.8	5.1	12.8	6.4	107.2	746.6
1999-All cows HD (000)	0.3	1.1	8.8	16.2	27.8	15.7	18.9	4.5	11.7	6.7	111.6	794.4

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class I 1/	10.90	10.71	10.84									
Class II	11.43	11.51										
Class III	10.05	9.54										
Class IV	10.73	10.80										

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/fmor_announce.htm